



JOINT MEETING OF THE RETIREMENT BOARDS

The Employees and Fire and Police Retirement Boards met in a joint session in Meeting Room A, 2nd Floor, City Hall, 2600 Fresno Street, Fresno, California at the hour of 2:15 p.m. on the day above written.

Roll Call at 2:15 p.m.

Present for the Employees Retirement Board:

William Quick	Chair
Carla Lombardi	Vice-Chair
Frank Balekian	Member
Darrell Fifield	Member
Marvell French	Member

Present for the Fire and Police Retirement Board:

Brian Burry	Chair
Carla Lombardi	Member
Stephen Guinn	Member
Darrell Fifield	Member
Paul Cliby	Member

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APPROVE MINUTES OF THE **JOINT
RETIREMENT BOARD** FOR AUGUST 13,
2003 and SEPTEMBER 10, 2003, REGULAR
JOINT MEETING.

ON MOTION of Member Balekian seconded by Member French, duly carried, RESOLVED to approve the minutes of August 13, 2003 and September 10, 2003, hereby approved by the following vote:

Ayes:	Quick, Lombardi, Balekian, Fifield, French
Noes:	None
Abstain:	None
Absent:	None

ON MOTION of Member Cliby seconded by Member Guinn, duly carried, RESOLVED to approve the minutes of August 13, 2003 and September 10, 2003, hereby approved by the following vote:

Ayes:	Burry, Guinn, Lombardi, Fifield, Cliby
Noes:	None
Abstain:	None
Absent:	None

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APPROVE AGENDA OF OCTOBER 8, 2003 ;

Upon call and hearing no objection, agenda is approved as presented.

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TIMED SCHEDULED HEARINGS AND MATTERS

None.

CONSENT CALENDAR

CONFIRM DATE AND TIME FOR THE NEXT
REGULAR JOINT MEETING OF THE
RETIREMENT BOARDS SCHEDULED FOR
2:15 P.M. ON NOVEMBER 12, 2003,
FRESNO CITY HALL, 2600 FRESNO
STREET, MEETING ROOM 2165-A

Member Burry requests that meeting be rescheduled due to he and Chair Quick's attendance to the IFEBP Conference on November 7-12, 2003; brief discussion follows and meeting is rescheduled to November 5, 2003.

CONFIRM DATE AND TIME OF THE NEXT
INVESTMENT COMMITTEE MEETING
SCHEDULED FOR 8:30 PM TO 10:30 A.M.,
OCTOBER 16, 2003, FRESNO CITY HALL,
2600 FRESNO STREET, MEETING ROOM
2165-A

Confirmed.

CONFIRM DATE AND TIME FOR THE NEXT
ADMINISTRATIVE COMMITTEE MEETING
SCHEDULED FOR 9:00 A.M. TO 12:00
P.M., OCTOBER 23, 2003, FRESNO CITY
HALL, 2600 FRESNO STREET, MEETING
ROOM 2165-A

Chair Burry requests that due to the Thanksgiving holiday, we need to reschedule the Administrative Committee meeting. Brief discussion follows and meeting is confirmed and rescheduled to 10:00 a.m. to 12:00 p.m. on December 5, 2003.

ON MOTION of Member Balekian seconded by Member French, duly carried, RESOLVED to approve the consent calendar as amended, hereby approved by the following vote:

Ayes:	Quick, Lombardi, Balekian, Fifield, French
Noes:	None
Abstain:	None
Absent:	None

ON MOTION of Member Cliby seconded by Member Guinn, duly carried, RESOLVED to approve the consent calendar as amended, hereby approved by the following vote:

Ayes:	Burry, Guinn, Lombardi, Fifield, Cliby
Noes:	None
Abstain:	None
Absent:	None

EMPLOYEE PERSONNEL ISSUES

None.

STAFF INITIATED ITEMS

None.

BOARD INITIATED ITEMS

CONSIDER RECOMMENDATION FROM THE
ADMINISTRATIVE COMMITTEE TO
APPROVE REVISIONS TO CODE OF
ETHICS POLICY

Russ Richeda, Board Counsel summarizes the Committee's recommendation and modifications as presented.

Member Balekian states he feels the proposed non-compliance sanctions were discriminatory in nature and do not propose equal treatment to all Board members, he does not recommend approval and requests that this issue be directed back to the Administrative Committee for review.

ON MOTION of Member Lombardi seconded by Member French, duly carried, RESOLVED to approve revisions to the Code of Ethics Policy, hereby approved by the following vote:

Ayes:	Quick, Lombardi, Fifield, French
Noes:	Balekian
Abstain:	None
Absent:	None

ON MOTION of Member Cliby seconded by Member Guinn, duly carried, RESOLVED to approve revisions to the Code of Ethics Policy, hereby approved by the following vote:

Ayes:	Burry, Fifield, Cliby, Guinn, Lombardi
Noes:	None
Abstain:	None
Absent:	None

Member Cliby states that room has exceeded the maximum occupancy requirement. Member Balekian states that he had received word that there would be a large attendance to meeting and had requested that staff reserve the Council Chambers for this meeting. Chair Quick directs the Secretary to confirm if the Council Chambers is presently available.

CONSIDER RECOMMENDATION FROM THE
ADMINISTRATIVE COMMITTEE TO
CONFIRM AND APPROVE POLICY
REGARDING REDEPOSIT OF RETIREMENT
CONTRIBUTIONS BASED ON
ESTABLISHMENT OF RECIPROCITY WITH
ANOTHER RETIREMENT SYSTEM.

Stanley McDivitt, Retirement Administrator reviews the recommendation of the Administrative Committee as presented. Chair Quick entertains a motion.

ON MOTION of Member Balekian seconded by Member French, duly carried, RESOLVED to approve policy regarding redeposit of retirement contributions based on establishment of reciprocity with another System, hereby approved by the following vote:

Ayes: Quick, Lombardi, Balekian, Fifield, French
Noes: None
Abstain: None
Absent: None

Chair Burry entertains a motion.

ON MOTION of Member Cliby seconded by Member Guinn, duly carried, RESOLVED to approve policy regarding redeposit of retirement contributions based on establishment of reciprocity with another System, hereby approved by the following vote:

Ayes: Burry, Fifield, Cliby, Guinn, Lombardi
Noes: None
Abstain: None
Absent: None

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CONSIDER RECOMMENDATION FROM THE
ADMINISTRATIVE COMMITTEE TO
CONFIRM AND APPROVE POLICY
REGARDING ADMINISTRATION OF THE
DEFERRED RETIREMENT OPTION
PROGRAM (DROP) IN CONNECTION WITH
A COMMUNITY PROPERTY COURT ORDER.

Stanley McDivitt, Retirement Administrator reviews and summarizes the recommendation as presented, states that legal counsel has reviewed and approved the policy as revised. Chair Quick entertains a motion.

ON MOTION of Member French seconded by Member Balekian, duly carried, RESOLVED to approve policy regarding the administration of the Deferred Retirement Option Program (DROP) in connection with a community property order, hereby approved by the following vote:

Ayes: Quick, Lombardi, Balekian, Fifield, French
Noes: None
Abstain: None
Absent: None

Chair Burry entertains a motion.

ON MOTION of Member Cliby seconded by Member Guinn, duly carried, RESOLVED to approve policy regarding the administration of the Deferred Retirement Option Program (DROP) in connection with a community property order, hereby approved by the following vote:

Ayes:	Burry, Fifield, Cliby, Guinn, Lombardi
Noes:	None
Abstain:	None
Absent:	None

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An unnamed member of the audience responds as to the order of the meeting with Chair Quick responding and announcing that the Council Chambers will be opened and meeting will reconvene in the Council Chambers. Meeting is temporarily adjourned.

2:25 p.m. (approximately) meeting reconvenes in the Council Chambers.

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CONSIDER AMENDMENT TO SECTION 2-8
OF THE RETIREMENT BOARD POLICY AND
REFERENCE MANUAL REGARDING
PROCEDURES FOR REIMBURSEMENT OF
EMPLOYEE BOARD MEMBER TIME WHILE
ON OFFICIAL BOARD BUSINESS AS
RECOMMENDED BY THE ADMINISTRATIVE
COMMITTEE.

Administrator McDivitt reviews the direction of the Board, summarized the amendments as presented and discussed the issues relating to the CFRS Realty Board, reporting discussions with the Board's Legal Counsel and Don Neufeld, legal counsel for the CFRS Realty Board and that both recommended that we include this issue in the policy.

Member Balekian spoke in opposition to the amendment stating this places a member who does not serve on a Committee in a compromised situation, policy does not prohibit that Board member to attend the Committee meeting management personnel can restrict that Board member from attending the meetings, this amendment is contrary to the policy that was agreed upon between City Management and the Retirement Boards, a member cannot fulfill their fiduciary obligation.

Upon call and hearing no further comments, Chair Quick entertains a motion.

ON MOTION of Member Lombardi seconded by Member French, duly carried, RESOLVED to approve amendment to Section 2-8 of the Retirement Board Policy and Reference Manual regarding procedures for reimbursement of employee board member time while on official Board business as recommended by the Administrative Committee, hereby approved by the following vote:

Ayes:	Quick, Lombardi, Fifield, French
Noes:	Balekian
Abstain:	None
Absent:	None

Chair Burry entertains a motion to approve.

ON MOTION of Member Cliby seconded by Member Guinn, duly carried, RESOLVED to approve amendment to Section 2-8 of the Retirement Board Policy and Reference Manual regarding procedures for reimbursement of employee board member time while on official Board business as recommended by the Administrative Com, hereby approved by the following vote:

Ayes: Burry, Fifield, Cliby, Guinn, Lombardi
Noes: None
Abstain: None
Absent: None

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CONSIDER RECOMMENDATION FROM THE
INVESTMENT COMMITTEE TO MODIFY
THE BOARDS' INVESTMENT OBJECTIVES
AND POLICY STATEMENT REGARDING
SECURITIES LENDING POLICIES.

Administrator McDivitt reviews the recommendation of the Investment Committee as presented.

ON MOTION of Member Balekian seconded by Member French, duly carried, RESOLVED to approve modifications to the Boards' Investment Objectives and Policy Statement regarding Securities Lending Policies, hereby approved by the following vote:

Ayes: Quick, Lombardi, Balekian, Fifield, French
Noes: None
Abstain: None
Absent: None

ON MOTION of Member Cliby seconded by Member Guinn, duly carried, RESOLVED to approve modifications to the Boards' Investment Objectives and Policy Statement regarding Securities Lending Policies hereby approved by the following vote:

Ayes: Burry, Fifield, Cliby, Guinn, Lombardi
Noes: None
Abstain: None
Absent: None

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GENERAL DISCUSSION

REPORT FROM THE RETIREMENT
ADMINISTRATOR ON RETIREMENT
PROJECTS AND COMMITTEE ACTION
AGENDAS

Administrator McDivitt reviewed the Committee actions, reported that the transition to Northern Trust has been going well, 98-99 percent has been moved, final transitions and reconciling should take over a month to complete; interviewing Small Cap Growth managers on October 21, an enhanced S&P 500 index manager and high-yield index managers forthcoming, annual financial reports are in draft, reviewed the building acquisition project, CFRS Board meeting to be scheduled, lease arrangements with proposed 1st floor occupants.

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PENDING ACTION LIST DATED JUNE 30, 2003, FROM RUSS RICHEDA, SALTZMAN & JOHNSON LAW CORPORATION.

Legal Counsel Russ Richeda summarized his report as presented. There were no comments.

INFORMATION ONLY ITEMS

SEGAL PUBLIC SECTOR, SEPTEMBER 2003

Received.

WEB ARTICLE DATED SEPTEMBER 22, 2003, FROM LOS ANGELES DAILY NEWS REGARDING PENSION WOES

Received.

Web ARTICLE DATED SEPTEMBER 18, 2003, FROM LATIMES.COM REGARDING PENSION BOARD OKS DAVIS PLAN ON PAY HIKES

Received.

LEGAL COUNSEL REPORT REGARDING MASON V. RETIREMENT BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO

Received.

FRESNO CITY EMPLOYEES HEALTH AND WELFARE TRUST FOR THE REGULAR BOARD MEETING DATED SEPTEMBER 10, 2003 AND MINUTES OF THE REGULAR BOARD MEETING DATED AUGUST 13, 2003.

Received.

NOTICE OF *FALL 2003 MEDICAL-LEGAL SEMINAR* SPONSORED BY BENCHMARK MEDICAL CONSULTANTS.

Received.

UNSCHEDULED ORAL COMMUNICATIONS

None.

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PROPOSED AGENDA ITEMS FOR NEXT BOARD MEETING

None.

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PUBLIC COMMENTS

None.

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ADJOURNMENT – 2:42 p.m.

There being no further business to bring before the Board, and hearing no objections, the Chairs declare the Joint Retirement Board regular meeting adjourned.

Brian Burry, Chair
Fire and Police Retirement Board

William Quick, Chair
Employees Retirement Board

Retirement Board Secretary/Deputy